



DEPARTMENT OF THE NAVY

NAVAL FACILITIES ENGINEERING COMMAND

ATLANTIC

6506 HAMPTON BLVD
NORFOLK VA 23508-1278

TELEPHONE NO:
(757) 322-4671

IN REPLY REFER TO:

NAVFAC ATLANTIC INST 11300.9

PW6

30 SEP 2004

NAVFAC ATLANTIC INSTRUCTION 11300.9

From: Commander, Naval Facilities Engineering Command, Atlantic

Subj: UTILITY SERVICE CONTRACTING AND ADMINISTRATION

Ref: (a) FAR Part 41
(b) DFARS Part 241
(c) NAVFAC Acquisition Supplement (NFAS), Part 41
(d) DOD Financial Management Regulation (FMR), Volume 5, Chapter 33
(e) DRID 49
(f) 10 USC 2688

1. Purpose. To provide policy and procedures for utility acquisition actions, competitive procurement of electricity and natural gas, energy conservation projects, and rate intervention.

2. Cancellation. This instruction cancels Atlantic Division NAVFACENGCOMINST 11300.7 dated 15 JUN 1998.

3. Policy.

a. References (a) and (b) are the policies, procedures, and contract format for utility service contracts.

b. Reference (c) assigns the responsibility for preparation, negotiation, award, and administration of utility service and energy conservation contracts to the Engineering Field Division (EFD). The Contracts Department, Utilities Contracts Branch, NAVFAC Atlantic Utilities Acquisition performs these duties for customers within the NAVFAC Atlantic's area of responsibility (AOR).

c. Reference (d) is the guidance for invoicing of utility service contracts.

4. Scope. This instruction applies to utility service(s) procured under utility service contracts for all customers within NAVFAC Atlantic's AOR and Iceland. EFA MED has utility contracting authority for customers in its AOR except for Iceland.

Quality Performance ... Quality Results

SEP 30 2004

5. Procedures. Completing utility acquisition actions involves coordination and planning between the user, customer, utility provider, and NAVFAC Atlantic. Utility acquisition actions require long lead times and are frequently capital intensive. Currently, privatization of DOD owned utility systems is the preferred approach to ownership as authorized by references (e) and (f). Regardless of ownership the NAVFAC Atlantic procedures for utility acquisition actions shall be followed in coordination with the user/customer procedures. If the utility acquisition action is related to a project that is Design/Build, Design/Bid/Build, or the fund source is MILCON, OM&N, NWCF, or other the NAVFAC Atlantic procedures for utility acquisition actions shall be followed. Coordination between all entities is critical to insure a timely response for utility acquisition actions. NAVFAC Atlantic Utilities Acquisition shall receive all utility acquisition action requests and will provide utility service contract support. NAVFAC Atlantic Public Works - Utilities shall provide technical support for electricity, natural gas, potable water and sewage utility service contracts.

a. Delegation of Authority. - NAVFAC Atlantic Utilities Acquisition shall use its delegation of authority to appoint Certifying Officers and Accountable Officials by means of a certified letter. The specific duties and responsibilities of the delegated authority(s) will be outlined in the letter.

b. Coordination at the Customer Level - All customer procedures and guidelines shall be followed in conjunction with the NAVFAC Atlantic procedures outlined in this instruction. Customer points of contact for utility acquisition and energy for various locations is located at <https://www.navfac.navy.mil> (select Organization, NAVFAC Atlantic, click NAVFAC Atlantic (NAVFACLANT), click Our Services tab, click Public Works link, click Utilities link and Commercial Acquisition tab).

c. Requesting a Utility Service Contract Action - Utility service contract actions include new service(s), change in condition(s) of an existing service(s), disconnection of service(s), and administrative change(s) for potable water, sewage, natural gas, and electric utility services. A process flow chart for the various utility service contract actions is located at <https://www.navfac.navy.mil> (select Organization, NAVFAC Atlantic, click NAVFAC Atlantic (NAVFACLANT), click Our Services tab, click Public Works link, click Utilities link and Commercial Acquisition tab). (1) Customers requesting a new service(s) or a change in condition(s) shall complete the appropriate Request for Service Form located at <https://www.navfac.navy.mil> (select Organization, NAVFAC Atlantic, click NAVFAC Atlantic (NAVFACLANT), click Our Services tab, click Public Works link, click Utilities link and Commercial Acquisition tab) and provide a budgetary Government cost estimate, a certification of funds availability, and other relevant project design drawings and/or sketches. Requests shall be submitted a minimum of 120 days prior to the required date of service.

SEP 30 2004

(2) The customer will be notified if contribution in aid of construction (CIAC) or a connection charge applies. Utility service contract actions cannot be completed until the customer transfers funds or provides the appropriate line of accounting.

(3) Customers requesting disconnection of service(s) and/or administrative change(s) shall complete the Request for Disconnection of Service or the Request for Administrative Change forms located at <https://www.navfac.navy.mil> (select Organization, NAVFAC Atlantic, click NAVFAC Atlantic (NAVFACLANT), click Our Services tab, click Public Works link, click Utilities link and Commercial Acquisition tab) a minimum of 60 days prior to the required date of execution.

(4) For other utility service contract actions not listed above contact NAVFAC Atlantic for direction.

d. Processing monthly utility service invoices shall be completed by the delegated authority. Initial connection charge invoices shall be forwarded to NAVFAC Atlantic Utilities Acquisition for processing. Upon receipt of utility service invoices the following actions shall be taken by the Accountable Official:

(1) Verify the customer has received said service(s), the service rate noted on the invoice is correct, and the name and service location of the customer receiving the utility service(s) is shown on the invoice and is correct.

(2) Provide a cursory review of the invoice usage, cost levels, and meter-reading dates in comparison to previously submitted invoices.

(3) Verify any credit or other charge appearing on any invoice is accompanied by a brief explanation from the utility provider.

(4) If discrepancies are discovered contact the service location customer for a possible explanation of the discrepancy. Contact the utility provider and then NAVFAC Atlantic Utilities Acquisition if further assistance is required. No alterations shall be made to the original invoice.

(5) Complete a certification of receipt acceptance and have the authorized Certifying Officer sign a certification for payment of funds.

(6) Forward the invoice to the appropriate paying office no later than seven (7) days from the date of receipt to avoid customer late payment charges. The invoice shall be flagged "Utility Invoice - Process Immediately".

(7) Forward a legible copy of each utility invoice and certification form for any single account totaling \$25,000 or greater per year to NAVFAC Atlantic PW6UI.

SEP 30 2004

(8) Reference (a) Part 41.4100 directs each activity to maintain cost and quantity data for each Utility account less than \$25,000 per year. By 31 October of each calendar year, this cost and quantitative data for each individual account for the prior fiscal year should be totalized and submitted to NAVFAC Atlantic BE3UI.

e. Competitive Procurement of Electricity and Natural Gas.

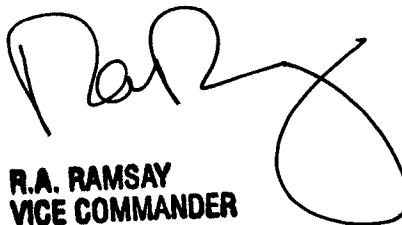
Electricity - All requirements and or conditions for competitive procurement of electricity shall be submitted to NAVFAC Atlantic. NAVFAC Atlantic will work with the requesting customer to evaluate the rules, regulations, and market conditions in the various utility service areas to determine the best approach to solicit for competitive electricity.

Natural Gas - Defense Energy Program Policy Memorandum (DEPPM) 93-1 was issued to centralize acquisition of direct supply natural gas under the Defense Logistics Agency (DLA), through the Defense Energy Supply Center (DESC) to meet customer natural gas requirements in the most cost effective and efficient manner. Customers shall contact DESC to procure competitive natural gas.

f. Energy Conservation Projects - The validation and technical certification of energy conservation projects are completed by NAVFAC Atlantic Public Works - Utilities in accordance with NAVFAC INST 11300.37A. The Energy Conservation and Demand Side Management - Standard Operating Procedures located at <https://www.navfac.navy.mil> (select Organization, NAVFAC Atlantic, click NAVFAC Atlantic (NAVFACLANT), click Our Services tab, click Public Works link, click Utilities link and Commercial Acquisition tab) identifies the standard operating procedures to be followed by the customer, utility provider, and NAVFAC Atlantic when completing energy conservation and demand side management projects.

g. Rate Intervention - Notify NAVFAC Atlantic of all impending rate cases or any changes that would affect the contract. Information concerning pending rate changes are often received with billing statements and by local media announcements.

6. Action. Addresses shall follow the procedures listed in paragraph 5 above.



R.A. RAMSAY
VICE COMMANDER

SEP 30 2004

Distribution:

Part I

List AA (8, 11, 12)
List AC (7, 11-14)
List D (17, 21-23)
List F (1-7, 9)
List I (1-5, 7-15, 18)
List J (1, 4-11)

Part II

LIST A (ONLY 32)
LIST C (1-9)
LIST J (ONLY 1)
LIST R (3, 5, 8-12)

PART IV

LIST A (1, 4, 9)
LIST C (2-5)
LIST I (ONLY 3)
LIST Q (ONLY 4)
LIST Y (ONLY 5)
LIST CC (ONLY 1)

Stocked by: LANTNAVFACENGCOM (Code FM12)